[Mr. N. Padmanabha Pillai.]

merely the Shencottah-Quilon section of it. Under the terms of the Travancore contract, this Government cannot claim to discharge their liability by paying off the debentures. We may, by making special arrangements, purchase these debentures as they fall due; but in that case they will have either to be renewed or we shall have to get cash in repayment. The liability will continue till 1945 when the principal contract will fall due. Thus the purchase of the bonds will merely mean that the Sinking Fund will be invested in Railway bonds instead of in Government of India securities. The latter investment is to be preferred for the following reasons:—

(i) They are long term loans and not therefore subject to fluctuations of interest which the Railway bonds will be subject to at every time of renewal.

(ii) They do not involve the transfer of funds to London and *vice versa* which transfers may involve risk of loss in exchange.

(2) There is no formal agreement between the Travancore Government and the Secretary of State for India. The following contracts entered into between the Secretary of State and the South Indian Railway Company relate to the construction and working of the Travancore Branch of the South Indian Railway:—

1. The Principal contract of 1890.
2. The Travancore contract of 1901.
3. The Rate of Exchange contract of 1903.
4. The revised contract of 1910.

Government regret that they cannot lay copies of the contracts on the table.

Interest paid by Government on the Shencottah-Quilon Railway Loans.

125. MR. N. PADMANABHA PILLAI (*Karunagapalli*): (1) Will the Government be pleased to state the amount paid by the State as interest on the Shencottah-Quilon Railway loans during the last six years and the rates of interest in each year for each species of loans?

(2) (*a*) What is the nature of the advance of Rs. 76 lakhs made by the Rt. Hon'ble the Secretary of State for India?

(*b*) Is it a mere cash loan or does it form part of the debentures?

(*c*) When is it repayable?

(*d*) What is its present rate of interest?

(*e*) What was the rate of interest guaranteed when the advance was made?

(*f*) Was there any variation in the rate at any time during the intervening period?

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MR. K. GEORGE (*Financial Secretary to Government*): (1) Information is available only for five years from 1918-1919. A statement* containing this information is laid on the table.

(2) (*a*) The advances made by the Secretary of State for India at the end of the official year ending 31st March, 1923, amounted to Rs. 77,13,424, including an advance of Rs. 1,14,992 made during the year for rolling stock, etc., for open line works. The details of the advances are as given below :—

(i) For construction works ...Rs. 61,32,092

This is on account of the portion of debentures paid off by the Secretary of State for India.

(ii) For open line works. ...Rs. 15,81,332

This is on account of advances made for the purchase of rolling stock, etc., for lines opened for traffic.

(*b*) It is an advance in cash and does not form part of the debentures.

(*c*) It is repayable by the South Indian Railway Company at the time at which the liabilities on the Shencottah-Quilon Railway are dischargeable, *viz.*, in 1945.

(*d*) The present rate of interest is 3½ per cent.

(*e*) Under the agreement, advances made by the Secretary of State for India to the South Indian Railway Company bear interest at 3½ per cent.

(*f*) No.

Liability of Government on the Shencottah-Quilon line.

126. MR. N. PADMANABHA PILLAI (*Karunagapalli*): (*a*) Will the Government be pleased to state whether it was not for the Shencottah-Quilon line that a further liability of Rs. 13¾ lakhs was incurred during 1097, on account of the purchase of rolling stock?

(*b*) Is no amount allotted annually for depreciation purposes? If so, what was the necessity for incurring this further liability? What is the amount actually expended on account of depreciation in each of the last six years?

(*c*) What is the nature of this further liability? Is it in the form of debentures or a cash loan issued by the Rt. Hon'ble the Secretary of State for India? What is the rate of interest in this case? When is it repayable?

MR. K. GEORGE (*Financial Secretary to Government*): (*a*) Yes.

(*b*) The Railway Company do not provide any allotment for depreciation purposes. Charges for repairs and renewals of existing machinery, etc., are debited to the revenue account of the railway, while those for the purchase of new rolling stock are issued and debited to the capital account of the railway, such capital being raised either by issue of debentures by the Railway Company or by advances made by the Secretary of State.

* *Vide* Appendix II—page 511.

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Appendix I.

***Vide* Answer to Question No. 123.**

Statistics of College admissions for the academic year 1923—1924.

Class & Group.	No. of applications.	No. of applications with group as the second and third choice.	No. selected for admission before the orders of Government were received.	Further No. selected for admission after the orders of Government were received.	Of those selected, the number that joined.	No. of applications refused with reasons.	Total No. in each group now.
Class I							
Group I	177	10	81	40	98	56 (a)(b)	112
II	154	10	32	27	48	95 (a)(b)	59
III A	74	...	51	12	56		61
III B	36	...	17	5	17	5 (c)	19
III C	27	3	58 17 from groups I and II.	6	29		31
Class II							
Group I	2	...	1	...	1	1 (c)	69
II	4	...	...	...	...	4 (f)	28
III A	...	...	...	...	...	...	29
III B	...	...	...	...	...	...	12
III C	...	...	...	...	...	...	14
Class III							
Group I	50	16	25	18	20 (A)	7 (d)	17
III A	46	23	26	6	23 (B)	14 (a)	14
II B	127	12	27	39	48	61 (a)(b)	59
V	114	7	100	3	65 (C)	11 (b)(c)	79
VI A	15	1	17	...	13 (D)	1 (g)	10
VI C	27	4	25	31	27	...	28
Class IV							
Group I	...	...	...	...	...	...	20
II A	...	...	...	...	...	...	21
II B	...	...	...	...	...	...	28
V	1	...	...	..	...	1 (f)	66
VI A	...	...	...	...	...	...	10
VI C	...	...	..	...	...	...	15
Part I only	1	...	...	1	1	...	6

(a) Want of accommodation.
(b) Some had been selected for the group of their first choice.
(c) Want of qualification for the group applied for.
(d) They had been selected for the group of their first choice.
(e) No reason was given for the desired change of College.
(f) Admissions, to the senior classes, of students who have had their junior courses in other Colleges are made only in special circumstances and when the students could complete their courses in the senior classes in this College.
(g) He was confused with another candidate of the same name who was selected for admission.
(A) 1 was transferred to IIA, 1 to IIB, and 3 afterwards took their transfer certificates to join other Colleges.
(B) 11 afterwards transferred to II B.
(C) 1 afterwards transferred to VI C.
(D) 1 afterwards took his transfer certificate and three were transferred to VI C.

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